

Message Text

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46

ACTION EUR-25

INFO OCT-01 ISO-00 EB-11 SS-20 RSC-01 DRC-01 /059 W

----- 127545

R 301615Z NOV 73

FM AMEMBASSY MADRID

TO SECSTATE WASHDC 7379

UNCLAS MADRID 7038

E.O. 11652: N/A

TAGS: EIND, ETRD, SP

SSHJECT: U.S. FERROUS SCRAP EXPORT CONTROL

REF A. STATE 234528; B. STATE 234040 C. MADRID 6646

IN AS MUCH AS FOREIGN MINISTER RAISED THE FERROUS SCRAP
SUPPLY SITUATION IN A PERSONAL LETTER TO SECRETARY
KISSINGER IT SEEMS APPROPRIATE THAT THE RESPONSE SHOULD
BE IN THE SAME FORM. I THEREFORE SUGGEST
THE FOLLOWING TEXT FOR LETTER TO FOREIGN MINISTER
LOPEZ RODO FROM SECRETARY KISSINGER ON THE SUBJECT:
"DEAR MR. FOREIGN MINISTER:

" WE HAVE TAKEN INTO CONSIDERATION THE POINTS YOU
MADE TO AMBASSADOR RIVERO IN HIS RECENT CALL ON
YOU AS WELL AS THOSE MADE IN YOUR LETTER TO ME
ON NOV 12 CONCERNING THE U.S. FERROUS SCRAP
EXPORT CONTROL PROGRAM.

"BY NOW YOU WILL PROBABLY HAVE BEEN INFORMED
OF THE QUOTA OF 182,000 TONS WHICH HAS BEEN
ESTABLISHED FOR SPAIN FOR THE FIRST QUARTER OF
1974. THIS AMOUNT IS LARGER THAN U.S. EXPORTS TO
SPAIN OF THE SUBJECT COMMODITY OF 175,000 TONS
DURING THE FIRST QUARTER OF 1973 AND, IN SPITE
OF U.S. EXPORT CONTROLS, SPAIN WILL HAVE RECEIVED
MORE SCRAP FROM THE U.S. DURING 1973 THAN EVER
BEFORE. THE AMOUNT THAT WILL BE SHIPPED THIS YEAR
IS ESTIMATED TO REACH 1.3 MILLION TONS, WHICH IS
ALMOST DOUBLE THE 1972 LEVEL.

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"IT SHOULD BE NOTED THAT THE SITUATION IS

PARTICULARLY DIFFICULT IN THE FIRST QUARTER OF
1974 BECAUSE SCRAP AVAILABILITY IS ALWAYS LOWEST
IN THE FIRST QUARTER WHILE DEMAND BOTH U.S. AND
FOREIGN, IS AT AN ALL TIME HIGH. THE
QUOTA ANNOUNCED FOR THE FIRST QUARTER OF 1974 SHOULD
NOT BE ANNUALIZED TO ARRIVE AT A THEORETICAL ANNUAL
QUOTA SINCE KLU PROGRAM WILL BE KEPT UNDER CONTINUAL
REVIEW AND CHANGES IN OVERALL QUOTA LEVELS
WILL BE MADE WHEN WARRANTED BY THE SUPPLY SITUATION.
"I REGRET THE NECESSITY FOR EXPORT CONTROLS AND
ASSURE YOU THAT THE U.S. GOVERNMENT DOES NOT INTEND

TO KEEP THEM IN EFFECT ANY LONGER THAN NECESSARY.

HENRY KISSINGER
SECRETARY OF STATE"

RIVERO

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Message Attributes

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Disposition Event:
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